Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

SASKATCHEWAN

Phone: (306) 787-6398
Fax: (306) 787-6383
Internet e-mail: info@auditor.sk.ca

March 7, 2001

COPY

The Honourable Ron Osika
Minister of Municipal Affairs and Housing
Room 315, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

Re: Municipal Potash Tax Sharing Administration Board
Financial Statements

We enclose the financial statements of the Municipal Potash Tax Sharing Administration Board for the year ended December 31, 2000 and our report on these financial statements.

Yours truly,

Fred Wendel, CMA, CA
Acting Provincial Auditor

/js
Enclosure

cc: The Honourable E. Cline, Chair, Treasury Board
Mr. P. Boothe, Secretary, Treasury Board
Mr. T. Paton, Provincial Comptroller, Department of Finance
Mr. S. Harrison, Chair, Municipal Potash Tax Sharing Administration Board
Mr. K. Engel, Secretary/Treasurer, Municipal Potash Tax Sharing Administration Board

RECEIVED
MAR 0 8 2001
S. A. R. M.

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Phone: (306) 787-6398
Fax: (306) 787-6383
Internet e-mail: info@auditor.sk.ca

RECEIVED
MAR 15 2001
S. A. R. M.

March 8, 2001

The Honourable Ron Osika
Minister of Municipal Affairs and Housing
Room 315, Legislative Building
REGINA, Saskatchewan
S4S 0B3

COPY

Dear Sir:

Re: Municipal Potash Tax Sharing Administration Board

We have completed our audit of the Municipal Potash Tax Sharing Administration Board (Board) for the year ended December 31, 2000.

We used generally accepted auditing standards to conduct our audit.

The objectives of the audit were to form the following opinions in order to report the results to the Legislative Assembly:

- an opinion on the rules and procedures used by the Board to safeguard and control its assets and ensure compliance with authorities. We limited our audit to those authorities relating to financial reporting, safeguarding assets, revenue raising, spending, borrowing, and investing activities;
- an opinion on the Board's compliance with those authorities; and
- an opinion on the reliability of the Board's financial statements.

We found the Board's financial statements were reliable. The Board had adequate rules and procedures to safeguard and control its assets. The Board complied with the governing authorities referred to above. Accordingly, we found nothing of significance that should be reported to the Legislative Assembly.

We did not design the audit to determine whether the rules and procedures were adequate for all of management's purposes. Nor would it likely reveal all opportunities for improvement or conditions requiring management's attention. We used, as is customary, selected tests of accounting records and related data.

.../2

We wish to acknowledge the co-operation extended to us by the staff and management of the Board.

Yours truly,

Fred Wendel, CMA, CA
Acting Provincial Auditor

/nb

cc: The Honourable E. Cline, Chair, Treasury Board
Mr. P. Boothe, Secretary, Treasury Board
Mr. T. Paton, Provincial Comptroller, Department of Finance
Mr. S. Harrison, Chair, Municipal Potash Tax Sharing Administration Board
Mr. K. Engel, Secretary/Treasurer, Municipal Potash Tax Sharing Administration Board

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2000

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Phone: (306) 787-6398
Fax: (306) 787-6383
Internet e-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2000 and the statement of operations and net assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
January 8, 2001

Fred Wendel, CMA,CA
Acting Provincial Auditor

Statement 1

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
STATEMENT OF FINANCIAL POSITION
As at December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 22,599	$ 21,681
	$ 22,599	$ 21,681
NET ASSETS		
Net assets - (Statement 2)	$ 22,599	$ 21,681
	$ 22,599	$ 21,681

(See accompanying notes to the financial statements)

Statement 2

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
STATEMENT OF OPERATIONS AND NET ASSETS
For the Year Ended December 31

			2000	1999
Revenues:				
Municipal taxes received from rural municipalities (Note 5)			$ 6,226,741	$ 6,326,121
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon/Lanigan	$ 3,276,750	$ 364,083	3,640,833	3,676,692
Esterhazy	1,899,647	211,072	2,110,719	2,222,897
Pense	416,463	46,274	462,737	413,880
	$ 5,592,860	$ 621,429	6,214,289	6,313,469
Revenue held for general administration (Note 4)			12,452	12,652
Expenses:				
Office facilities – Saskatchewan Association of Rural Municipalities			6,000	6,000
Secretary/Treasurer honorarium			3,950	3,950
Board members' allowances:				
Per diem			700	700
Mileage			594	528
Sustenance			140	120
Insurance			150	150
			11,534	11,448
Surplus for the year			918	1,204
Net assets, beginning of year			21,681	20,477
Net assets, end of year - to Statement 1			$ 22,599	$ 21,681

(See accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

1. Authority

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of *The Municipal Tax Sharing (Potash) Act*. Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers a tax sharing program. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.2% of taxes received totalling $12,452.

5. Municipal Taxes Received From Rural Municipalities

Municipality	RM#	Budget 2000	Actual 2000	Actual 1999
Rocanville	151	$ 724,824	$ 683,403	$ 724,824
Spy Hill	152	859,040	826,501	859,040
Pense	160	464,094	463,664	414,709
Langenburg	181	605,045	605,045	643,487
Usborne	310	1,021,070	1,027,016	1,021,071
Colonsay	342	640,768	636,966	640,768
Blucher	343	685,999	644,076	683,346
Corman Park	344	567,095	567,095	563,179
Vanscoy	345	776,052	772,975	775,697
		$ 6,343,987	$ 6,226,741	$ 6,326,121

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Municipal Potash Tax Sharing Administration Board.

Schedule 1

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

	Budget 2000	Actual 2000	Actual 1999
Saskatoon/Lanigan Area			
Rural Municipalities			
# 279 Mount Hope	$ 557	$ 551	$ 526
280 Wreford	20,802	20,559	18,324
281 Wood Creek	2,566	2,536	2,583
283 Rosedale	1,273	1,258	1,285
309 Prairie Rose	57,212	56,544	57,640
310 Usborne	264,346	261,258	266,135
312 Morris	179,409	177,313	180,663
313 Lost River	119,880	118,480	120,697
314 Dundurn	107,197	105,945	108,192
315 Montrose	115,712	114,360	114,259
316 Harris	26,078	25,774	25,053
339 Leroy	37,741	37,300	38,004
340 Wolverine	260,706	257,661	239,882
341 Viscount	222,122	219,527	223,701
342 Colonsay	240,446	237,636	262,408
343 Blucher	432,682	427,861	435,503
344 Corman Park	502,979	497,104	491,849
345 Vanscoy	454,933	449,619	441,256
346 Perdue	97,296	96,160	98,140
371 Bayne	25,213	24,918	25,399
372 Grant	38,270	37,823	38,556
373 Aberdeen	90,761	89,700	101,790
376 Eagle Creek	17,063	16,863	17,178
	3,315,244	3,276,750	3,309,023
Saskatoon/Lanigan Area			
Urban Municipalities			
Village of Aberdeen	6,443	6,368	6,431
Town of Allan	38,167	37,724	38,095
Town of Asquith	7,245	7,160	7,231
Village of Bradwell	7,883	7,792	7,869
Village of Clavet	18,431	18,217	18,396
Town of Colonsay	23,270	23,000	23,226
Town of Dalmeny	16,786	16,591	16,755
Town of Delisle	45,670	45,139	45,584
Village of Drake	3,357	3,318	3,351
Village of Elstow	5,056	4,998	5,047
Village of Guernsey	7,014	6,932	7,000
Village of Kinley	421	416	421
Town of Langham	14,299	14,133	14,272

Schedule 1 (Continued)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

	Budget 2000	Actual 2000	Actual 1999
Saskatoon/Lanigan Area			
Urban Municipalities			
Town of Lanigan	64,372	63,625	64,251
Village of Lockwood	326	322	326
Town of Martensville	17,153	16,954	17,121
Village of Meacham	1,074	1,061	1,072
Village of Perdue	5,478	5,414	5,467
Village of Plunkett	1,155	1,142	1,153
Village of Vanscoy	17,180	16,981	17,148
Village of Viscount	16,039	15,852	16,009
Town of Vonda	3,928	3,883	3,921
Town of Warman	21,489	21,240	21,449
Town of Watrous	19,437	19,211	19,400
Village of Young	4,349	4,299	4,341
Village of Zelma	2,338	2,311	2,333
	368,360	364,083	367,669
	3,683,604	3,640,833	3,676,692
Esterhazy Area			
Rural Municipalities			
# 121 Moosomin	62,343	60,237	63,325
122 Martin	17,366	16,779	17,627
151 Rocanville	376,836	364,103	383,596
152 Spy Hill	519,284	501,738	524,859
153 Willowdale	51,242	49,511	52,333
181 Langenburg	388,649	375,517	397,756
183 Fertile Belt	329,877	318,731	336,422
211 Churchbridge	137,454	132,809	140,182
213 Saltcoats	83,027	80,222	84,507
	1,966,078	1,899,647	2,000,607
Urban Municipalities			
Village of Atwater	465	449	473
Village of Bangor	757	732	771
Resort Village of Birds Point	598	578	608
Town of Bredenbury	4,889	4,724	4,975
Town of Churchbridge	10,827	10,461	11,017
Town of Esterhazy	90,283	87,232	91,868
Village of Gerald	8,715	8,420	8,868
Town of Langenburg	14,082	13,608	14,329

Schedule 1 (Continued)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

	Budget 2000	Actual 2000	Actual 1999
Esterhazy Area			
Urban Municipalities			
Town of Rocanville	46,496	44,925	47,313
Village of Spy Hill	14,029	13,555	14,275
Village of Stockholm	4,729	4,570	4,812
Village of Tantallon	8,077	7,804	8,219
Village of Welwyn	7,758	7,496	7,895
Village of Yarbo	6,749	6,520	6,867
	218,454	211,072	222,290
	2,184,532	2,110,719	2,222,897
Pense Area			
Rural Municipalities			
# 129 Bratt's Lake	2,730	2,727	2,495
130 Redburn	55,906	55,854	51,428
131 Baildon	19,152	19,134	17,515
159 Sherwood	32,695	32,665	27,423
160 Pense	178,323	178,158	158,727
161 Moose Jaw	84,775	84,697	77,500
189 Lumsden	11,994	11,983	10,445
190 Dufferin	22,939	22,918	19,916
191 Marquis	8,334	8,327	7,043
	416,848	416,463	372,492
Urban Municipalities			
Village of Belle Plaine	3,180	3,177	2,841
Village of Bethune	4,658	4,653	4,162
Village of Briercrest	1,553	1,551	1,387
Village of Disley	633	633	566
Village of Drinkwater	4,322	4,318	3,863
Village of Grand Coulee	4,173	4,170	3,729
Village of Pense	26,530	26,506	23,708
Village of Tuxford	1,267	1,266	1,132
	46,316	46,274	41,388
	463,164	462,737	413,880
Total tax sharing – to Statement 2	$ 6,331,300	$ 6,214,289	$ 6,313,469